

**STATE OF ILLINOIS**  
**ILLINOIS COMMERCE COMMISSION**

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| <p style="text-align: center;"><b>Illinois Commerce Commission</b><br/><b>On its Own Motion</b></p> <p style="text-align: center;"><b>vs.</b></p> <p><b>MidAmerican Energy Company</b></p> <p><b>Reconciliation of revenues collected under<br/>Rider EECR with actual costs associated<br/>with energy efficiency</b></p> | <p><b>Docket No. 16-0031</b></p> |
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**DIRECT TESTIMONY**  
**OF**  
**CADE J. SIMMONS**

1 **Q. Please state your name and business address for the record.**

2 A. My name is Cade J. Simmons. My business address is 106 East Second Street,  
3 Davenport, Iowa, 52801.

4 **Q. By whom are you presently employed and in what capacity?**

5 A. I am employed by MidAmerican Energy Company (MidAmerican or Company) as  
6 Energy Efficiency Data Analyst.

7 **Q. What is your educational and employment experience?**

8 A. I received my undergraduate degree in Economics from the New Mexico State University  
9 in 2007 and a Masters of Economics degree with a concentration in Public Utility  
10 Regulation also from the New Mexico State University in 2008. I have been employed by  
11 MidAmerican since 2008. I have been employed with the Company as a Rates Analyst  
12 from 2008 to 2012 and as the Senior Analyst, Critical Infrastructure Protection Cyber

13 Asset Compliance from 2012 to 2014. My current position is Energy Efficiency Data  
14 Analyst. Prior to joining MidAmerican, I was employed as a Research Assistant for the  
15 Center for Public Utilities at New Mexico State University.

16 **Q. What is the purpose of your testimony?**

17 A. The purpose of my testimony is to explain revisions to MidAmerican's reconciliation of  
18 revenues collected under the Energy Efficiency Cost Recovery Rider (EECR) with the  
19 actual costs incurred by MidAmerican associated with implementing the Energy  
20 Efficiency Plan (EEP) as recorded on MidAmerican's books, with adjustments agreed  
21 upon by MidAmerican and Illinois Commerce Commission Staff, for the period  
22 beginning January 1, 2012 and ending December 31, 2012.

23 **Q. Have there been any changes to the schedules originally filed in the reconciliation on**  
24 **March 19, 2013?**

25 A. Yes , I am sponsoring the following revisions to those exhibits:

26 Revised Exhibit 1 – Illinois Electric Reconciliation and

27 Revised Exhibit 2 – Illinois Gas Reconciliation.

28 **Q. Please explain Revised Exhibit 1.**

29 A. Revised Exhibit 1 reflects MidAmerican's 2012 electric reconciliation costs excluding  
30 certain sponsorship costs. After responding to Staff's data requests and discussions with  
31 Staff and in the interest of narrowing the issues in this docket, MidAmerican agreed to  
32 exclude certain sponsorship costs from the 2012 energy efficiency (EE) costs.  
33 MidAmerican's exclusion of these costs does not mean MidAmerican agrees with the  
34 rationale for the adjustments and reserves the right to include similar sponsorship costs in  
35 future cases. Page 1, Column (b) of Revised Exhibit 1 outlines total budgeted costs.

36 Budgets are those filed with the Commission on December 19, 2011, and reflected in the  
37 9<sup>th</sup> revised information sheet supplemental to Sheet No. 17, Exhibit 1. Column (c)  
38 includes the originally filed total actual 2012 EE expenditures from MidAmerican's  
39 books. Lines 7 and 16 on Revised Exhibit 1 show the deduction of EE costs that were  
40 embedded in MidAmerican's 2012 rates. Column (d) includes the deduction of \$1,800  
41 from book costs agreed to by Staff and MidAmerican related to the retail value of River  
42 Bandits season tickets associated with the team sponsorship and sponsorship of the John  
43 Deere Classic. The deduction is allocated to class and program by the allocators shown in  
44 Data Response ST-1.01E Attachment 3 of 3, Energy Efficiency Management – All  
45 (17834). These are the allocators used to allocate the original expense.

46 Page 2 of Revised Exhibit 1 shows the actual electric EECR dollars recovered by  
47 customer class for January 2012 through December 2012. These dollars are from internal  
48 Company reports generated from the Customer Service System.

49 On Page 3, Lines 1 and 2 of Revised Exhibit 1, the under (over) recoveries from 2011  
50 are added to the 2012 electric EE cost recoveries from Page 2, Line 13 and compared to  
51 the 2012 adjusted EE expenditures from Page 1 to determine the 2012 under (over)  
52 recoveries for each class. The total under (over) recoveries are divided by the projected  
53 April-December 2013 sales to calculate a reconciliation factor (Factor A) for each class.  
54 These reconciliation factors are then added to the EECR factors already in effect to  
55 determine the new EECR factors that became effective April 2, 2013.

56 **Q. Please explain Revised Exhibit 2.**

57 A. Revised Exhibit 2 reflects MidAmerican's 2012 gas reconciliation costs excluding  
58 certain sponsorship costs and after responding to Staff's data requests and discussions

59 with Staff. Page 1, Column (b) of Revised Exhibit 2 outlines the total budgeted costs.  
60 Budgets are those filed with the Commission on December 19, 2011 and reflected in the  
61 4th revised information sheet supplemental to Sheet No. 105, Exhibit 1. Column (c)  
62 includes total actual 2012 EE expenditures from MidAmerican's books. Column (d)  
63 includes the deduction of \$1,200 from book costs agreed to by Staff and MidAmerican  
64 related to the retail value of River Bandits season tickets associated with the team  
65 sponsorship and sponsorship of the John Deere Classic. The deduction is allocated to  
66 class and program by the allocators shown in Data Response ST-1.01G Attachment 3 of  
67 3, Energy Efficiency Management – All (98853). These are the allocators used to  
68 allocate the original expense.

69 Page 2 of Revised Exhibit 2 shows the actual electric EECR dollars recovered by  
70 customer class for January 2012 through December 2012. These dollars are all from  
71 internal Company reports generated from the Customer Service System.

72 On Page 3, Lines 1 and 2 of Revised Exhibit 2, the under (over) recoveries from 2011  
73 are added to the 2012 gas EE cost recoveries from Page 2, Line 13 and compared to the  
74 2012 actual EE expenditures less excluded dollars from Page 1 to determine the 2012  
75 under (over) recoveries for each class. The total under (over) recoveries are divided by the  
76 projected April-December 2013 sales to calculate a reconciliation factor (Factor A) for  
77 each class. These reconciliation factors are then added to the EECR factors already in  
78 effect to determine the new EECR factors that become effective April 2, 2013.

79 **Q. How will MidAmerican account for the excluded costs from these prior periods?**

80 A. MidAmerican will enter a journal entry into its books for 2016 to remove \$3,000 (\$1,800  
81 electric and \$1,200 gas) from the accounts originally charged the expenses in 2012. The

82 reductions will be reflected in 2016 book costs reported in the EE reconciliation filed in  
83 2017.

84 **Q. Does MidAmerican have a tariff that requires the reconciliation of the Energy**  
85 **Efficiency Cost Recovery?**

86 A. Yes.

87 **Q. Did MidAmerican comply with the tariff requirement?**

88 A. Yes.

89 **Q. Does this conclude your testimony?**

90 A. Yes.

STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

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|                                      |   |                    |
|--------------------------------------|---|--------------------|
| Illinois Commerce Commission         | ) |                    |
| On Its Own Motion                    | ) |                    |
| vs.                                  | ) |                    |
| MidAmerican Energy Company           | ) |                    |
|                                      | ) | Docket No. 16-0031 |
| Reconciliation of revenues collected | ) |                    |
| under Rider EECR with actual costs   | ) |                    |
| associated with energy efficiency    | ) |                    |

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AFFIDAVIT OF  
CADE J. SIMMONS

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|-----------------|---|-----|
| STATE OF IOWA   | ) |     |
|                 | ) | ss. |
| COUNTY OF SCOTT | ) |     |

I, Cade J. Simmons, being first duly sworn on oath, depose and state that I am the same Cade J. Simmons identified in the foregoing Direct Testimony; that I have caused the attached Direct Testimony to be prepared and am familiar with the contents thereof; and that the foregoing Direct Testimony is true and correct to the best of my knowledge and belief as of the date of this Affidavit.

Further affiant sayeth not.

  
\_\_\_\_\_  
Cade J. Simmons

Subscribed and sworn to before me,  
A Notary Public in and for said County  
And State, this 20 day of January, 2016.

  
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